

**AAE**ACTUARIAL
ASSOCIATION
OF EUROPE

ADVISING • ACHIEVING • ENGAGING

ACTUARIAL ASSOCIATION OF EUROPE

ASSOCIATION ACTUARIELLE EUROPÉENNE

SILVER SQUARE NORTH
BOULEVARD ROI ALBERT II 4
B-1000 BRUSSELS, BELGIUM
☎ (+32) 2 274 06 61
✉ INFO@ACTUARY.EU
WWW.ACTUARY.EU

AAE Internal Regulations

These Internal Regulations in addition to the AAE Statutes further detail the governance of AAE operations and activities, provided these Internal Regulations are not inconsistent with the Statutes (as stipulated in Article 24 of the Statutes) and the compulsory Swiss law.

Section 1: Languages (Article 3 of the Statutes)

- 1. Languages**
The working language of the AAE is English.

Section 2: Subscriptions (Article 7 of the Statutes)

- 1. Recommendation of subscriptions**
In determining a suitable recommendation for the subscriptions, the AAE Board of Directors considers, inter alia, the projected costs, especially accounting for the development and level of the relevant inflation.
- 2. Information for subscriptions**
The Member Associations are requested to deliver to the AAE the accurate information needed for defining the subscription fee.
- 3. Late payments**
Payments are due on 1 April each year. In the case of delayed payments, the Secretariat will follow up, but subscriptions must be paid by 1 July at the latest. If still not paid Paragraph 4 of Article 8 of the Statutes applies.
- 4. Costs of participation**
Each Full and Observer Member Association is responsible for the costs incurred by its delegates to the AAE and its representatives on Committees or other bodies of the AAE that are created by the Board of Directors or a Committee.
The members of the Board of Directors, the Chairpersons of Committees or other bodies of the AAE as well as other delegate experts representing the AAE or fulfilling a leading role in the AAE may request reimbursement of travel expenses if not covered by their Member Association or other sources, as described in the AAE Expense Reimbursement Policy.
All other costs will be met by the annual subscription from the Member Associations.

Section 3: Membership suspension and termination (Article 8 of the Statutes)

- 1. Consequences of suspension**
If a Member Association's membership has been suspended, the association will not be

allowed to send any delegates to the General Assembly. All other rights and obligations of that association remain untouched, in particular with respect to Article 6 of the Statutes. Suspension does not terminate membership.

2. **Reinstatement of membership**

After suspension, the membership status of a Member Association, upon the recommendation by the Board of Directors, may be reinstated by the General Assembly if the Board of Directors confirms that the reason for the suspension has been resolved. The same applies to termination of Observer Membership.

If Full Membership in the AAE has been terminated a decision on reinstatement of membership can only be taken in a meeting of the General Assembly, provided that the Board of Directors confirms that all full membership criteria as laid out in Article 6 of the Statutes are met and the reason for the termination has been resolved.

3. **Office Bearers**

If Full Membership has been terminated or a Full Member Association terminates its membership in the AAE voluntarily, any Office Bearer from this association shall fulfil her or his term of office until a replacement has been elected or appointed to ensure the efficient operations of the AAE. A renewal of the term of office shall not be possible.

4. **Delegates and representatives other than Office Bearers**

If membership has been terminated or a Member Association terminates its membership in the AAE voluntarily, their delegates and representatives shall cease to participate in meetings and activities of the AAE effective from the date of membership termination.

Section 4: Mutual Recognition (Article 9 of the Statutes)

1. **Q&A**

The Mutual Recognition Agreement (MRA) is accompanied by further “questions and answers” also published on the website of the AAE, which are intended to provide practical help to Full Member Associations in interpreting and operating the MRA.

2. **Valid Reasons for not entering the MRA**

Valid reasons why a Full Member Association is not able to become a signatory to the MRA may include but is not necessarily limited to

- a. a Force Majeure Event,
- b. Legal Requirement,
- c. Prohibition (all as defined below), or
- d. according to transitional arrangements agreed by the General Assembly at the time of approval in 2021.

For the purposes of this Paragraph:

Force Majeure Event shall mean (i) any unforeseeable situation or circumstance or (ii) any foreseeable situation or circumstance which was unavoidable, provided that any such situation or circumstance set out in (i) or (ii) would seriously impede or prevent a Full Member Association from entering into or remaining a party to the MRA on the terms provided for in the MRA from time to time.

Legal Requirement or Prohibition shall mean any mandatory rule, applicable to a Full Member Association, or order, decision or requirement of any judicial, legislative or administrative body or authority having jurisdiction over the Full Member Association which prevents the Full Member Association from entering into or remaining a party to the MRA on the terms provided for in the MRA from time to time.

Section 5: Office Bearers (Article 12 of the Statutes)

1. Fit and proper requirements

Office Bearers shall comply with the requirements of the Code of Conduct of their own Member Association at all times; additionally, they shall always act in the best interest of the AAE. They should make the Nominations Panel aware of anything they consider relevant for ascertaining an opinion on their being fit and proper.

2. Fit and Proper Questionnaire

A Qualifying Actuary of a full Member Association applying for an Office Bearer position shall fill in the Fit and Proper Questionnaire and submit it to the Nominations Panel. There is an ongoing obligation to notify the Nominations Panel if at any point the individual becomes aware of a matter that could be considered relevant to their fitness and propriety assessment. The content of the Fit and Proper Questionnaire shall be determined by the Board of Directors after consultation with the Nominations Panel.

3. Suspension / termination of mandate

Before recommending to the General Assembly that a mandate should be terminated or suspended, the Board of Directors will consider all relevant facts and circumstances, will avoid bias, will hold a hearing of relevant stakeholders including the Office Bearer in question and will altogether follow established rules and ethical principles. The recommendation of the Board of Directors shall be based on a majority consisting of not less than 75% of the votes cast by the members of the Board of Directors.

If a member of the Board of Directors is affected, she or he will be excluded from the vote.

The Board of Directors may suspend the mandate in question until the General Assembly is able to decide.

4. Role of Nomination Panel

If a mandate is terminated and the position of an Office Bearer becomes vacant the Nominations Panel will submit a recommendation for succession to the General Assembly in accordance with its Terms of Reference.

Section 6: General Assembly (Article 13 and 14 of the Statutes)

1. Delegation to the AAE if there is more than one Member Association in a European State

It is a matter for the associations in that State to determine their joint delegation to the AAE. If no agreement is possible between different Member Associations in the same European State, then, subject to ratification by the General Assembly, the Board of Directors will decide the number of delegates (rounded to full integers) from each Member Association that corresponds to its percentage of the whole subscription base of the State, applied to the maximum size of the delegation coming from that State.

2. **Delegation to the AAE of Observer Member Associations**

The delegation of an Observer Member Association to the AAE consists of one delegate although she or he carries no vote.

3. **Membre titulaire and additional delegates**

The delegates not nominated as “membre titulaire” have the right to participate in the General Assembly but they may only vote as alternate for a “membre titulaire” who is unable to participate. If a Full Member Association has only one delegate to the General Assembly assuming the role of “membre titulaire” and this delegate is unable to participate, then the Full Member Association may notify the AAE Secretariat of an alternate of its membership exercising the voting right until the day before the meeting at the latest.

4. **Chairing of the General Assembly**

The General Assembly is chaired by the Chairperson, or if the Chairperson is unable to provide for this function, the Acting Chairperson of the AAE (as defined in Section 7, item 8).

5. **Holding ordinary meetings of the General Assembly**

The AAE will hold an ordinary General Assembly in person allowing for a hybrid participation at least once a year. In case of force majeure where meetings in person are not possible an ordinary General Assembly may be held by means of a telephone, electronic or other communication facility provided that all Member Associations were sent access data in due time to ensure their fair participation in the meeting.

6. **Agenda and documents**

The notification of a General Assembly must include the agenda of the General Assembly, which will be prepared by the Board of Directors in collaboration with the Chief Executive. The Board of Directors is aiming at circulating all agenda accompanying documents to Member Associations together with the agenda but will do so no later than 10 days before the meeting.

Amendments to the agenda may be made upon recommendation of the relevant AAE body or a Member Association, where applicable, up to 15 days before the General Assembly, by delivering a notice to the Chief Executive.

If the agenda is amended, then the amended agenda shall be sent to Member Associations no later than 10 days before the General Assembly.

The agenda with its agenda accompanying documents shall not be changed at the meeting of the General Assembly. New items may be added to the agenda for discussion but not for vote at that meeting of the General Assembly.

7. **Minutes**

Minutes of the General Assembly shall be circulated to Member Associations for comments and be voted on at the next General Assembly.

8. **Appeal to the General Assembly**

A Member Association may submit an appeal to the General Assembly concerning any decision relating to the Member Association made by the AAE at a lower level. The decision of the General Assembly shall be final.

9. **Holding extraordinary meetings of the General Assembly**

An extraordinary General Assembly may be held in person allowing for a hybrid

participation or, if the Board of Directors so decides and no objection is raised by any Member Association, by means of a telephone, electronic or other communication facility.

10. Delegation of duties

The General Assembly may delegate tasks to the Board of Directors as well as to other bodies of the AAE except when the Statutes reserve the task to the General Assembly.

Section 7: Board of Directors (Article 15 of the Statutes)

1. Mandate of the Board of Directors

To ensure the smooth and flexible operation of the AAE, the Board of Directors may make decisions it deems appropriate unless the Statutes reserve that decision to the General Assembly or to other AAE bodies or when the General Assembly decides so. However, in an exceptional and urgent matter, the Board of Directors may make a decision that falls outside of its mandate provided by the Statutes, the General Assembly or its terms of reference, but the decision shall be submitted to the General Assembly for ratification. If the General Assembly does not ratify such a decision, then the Board of Directors shall rectify that decision appropriately.

2. Legal representation

Legal representation as mentioned in Paragraph 5 of Article 15 of the Statutes refers to the authority granted to the Senior Officers to act on behalf of the AAE in legal matters, such as signing contracts or representing it in court.

3. Vacancy

If the office of any Senior Officer shall become vacant, the General Assembly upon recommendation of the Nominations Panel may elect a person to fill such vacancy for the remaining term.

4. Delegation of duties

The Board of Directors may delegate tasks to Office Bearers as well as to other AAE bodies the Board of Directors establishes that directly report to the Board of Directors.

5. Treasurer

The Board of Directors is also responsible for the finances of the AAE. The tasks to oversee the finances can be delegated to a member of the Board of Directors assuming the role of Treasurer.

6. Election of Committee Chairpersons and Vice-Chairpersons to the Board of Directors

Committee Chairpersons and Vice-Chairpersons are eligible for election as members of the Board of Directors but must retire from their Committee position at the date of their election to the Board of Directors.

7. Members of the Board of Directors and voting categories

At least one member of the Board of Directors will be chosen from each voting category, herein including the Senior Officers, with no more than one member of the Board of Directors from each Full Member Association. In the case that it is not possible to find a candidate from a voting category, the position will remain vacant until a suitable candidate from this voting category can be found.

8. **Rules for standing-in: Acting Chairperson of the AAE**

If the Chairperson is absent or is unable to act, the Chairperson may appoint the Vice-Chairperson or the Immediate Past Chairperson to act in her/his place. In case of death of the Chairperson, or of a prolonged period of incapacity or failure of the Chairperson to carry out her/his duties, the duties of the Chairperson will be undertaken by the Vice-Chairperson or, if the Vice-Chairperson is unable to assume these duties, by the Immediate Past Chairperson.

In each of these cases, the AAE will legally be represented by the Vice-Chairperson and the Immediate Past Chairperson.

Section 8: Nominations Panel (Article 16 of the Statutes)

1. **Reporting**

The Nominations Panel shall report to the General Assembly.

2. **Vacancy**

If a seat in the Nominations Panel shall become vacant, the General Assembly upon recommendation of the Nominations Panel may elect a person to fill such vacancy for the remaining term.

Section 9: Committees (Article 17 of the Statutes)

1. **Reporting**

Committees shall provide reports to the Board of Directors.

2. **Terms of Reference**

The terms of reference of a committee shall be, upon the recommendation of the Chairperson of the Committee, approved by the Board of Directors for submission to the General Assembly for approval.

3. **Subordinate bodies**

Any Committee may establish subordinate bodies reporting to the Committee, subject to approval by the Board of Directors. These subordinate bodies should have terms of reference that are in accordance with the terms of reference of the establishing Committee and approved by the Board of Directors.

4. **Participation not permitted**

An association is not allowed to send any representatives to any Committee meetings if its subscriptions to the AAE have been outstanding for more than 12 months.

Section 10: Secretariat (Article 18 of the Statutes)

1. **Chief Executive**

The role of the Chief Executive will include but is not necessarily limited to the following:

- a. Manage the staff and the outsourcing activities of the Secretariat;
- b. Support the Board of Directors in implementing the strategy as well as their daily activities including the external relationships of the AAE;
- c. Support the Nominations Panel in discharging its duties;

- d. Manage the support to the other bodies of the AAE.
- 2. **Rules for standing in**
If the Chief Executive is absent or is unable to act, the Chief Executive or the Board of Directors may appoint another staff member to act in her/his place. In case of death of the Chief Executive, or of a prolonged period of incapacity or failure of the Chief Executive to carry out her/his duties, the duties of the Chief Executive will be undertaken by a suitable person appointed by the Board of Directors.
- 3. **Website of the AAE**
The Secretariat shall maintain a website for the AAE with open and members-only sections. The member only section shall include all important information Member Associations need to know about the AAE.

Section 11: Voting rights and resolution of divergent views (Articles 19 and 20 of the Statutes)

- 1. **Delegation of voting rights**
A delegation of voting rights to another Full Member Association ("proxies") is not possible.
- 2. **Potential votes**
Potential votes refer to the total number of votes that could be cast in the General Assembly, based on the definition of weighted votes in Paragraph 4 of Article 19 of the Statutes.
- 3. **Unanimity and abstentions**
A unanimous decision means that all voting members present at the General Assembly must vote in favour of a motion without any dissenting votes. An abstention is not counted as a vote, which means that a unanimous decision is also possible in the case of abstentions.
- 4. **Votes cast**
Votes cast refer to all votes actually submitted, excluding abstentions, and weighted as defined in Paragraph 4 of Article 19 of the Statutes.
- 5. **Matters of professional importance and operational matters**
Article 20 of the Statutes lists which matters are to be considered as of professional importance or operational. If a Member Association raises an objection against the classification provided by the Board of Directors in the case a topic cannot clearly be identified as falling under the one or the other category, a notice can be delivered to the Chief Executive up to 15 days before the meeting of the General Assembly. If no objection is raised the Board of Directors' classification applies.
- 6. **Electronic votes**
A vote in the General Assembly may be carried out by electronic means, using e-mail or other electronic questionnaires or voting facilities, provided that a recommendation on a matter of professional importance has been exposed for discussion among Member Associations at least three months before the date of the vote. For a recommendation on an operational matter the exposure period will be determined by the Board of Directors given that it is not shorter than 20 days and not objected to by any Member Association.

7. Winding-Up of the AAE

Matters dealing with terms and conditions for the winding-up of the AAE and the distribution of the available surpluses must be dealt with in an in-person meeting of the General Assembly; all other matters can be voted on either in person or by electronic voting. See also Section 15.

8. Cooling-off period

If there is disagreement between Member Associations on a particular matter of professional importance, the cooling-off period is called by the Board of Directors, clearly stating its beginning and its end. The cooling-off period shall be used actively to negotiate a compromise between Member Associations; with the Board of Directors taking the lead. For clarification purposes, during the cooling-off period, no decision will be taken by the General Assembly on the relevant particular matter of professional importance and the deadlines initially foreseen for taking any action on that matter of professional importance will be suspended, until the decision on that issue has been validly taken by the AAE, pursuant to this paragraph.

9. Treatment of diversity of views on technical matters

From time to time there may be technical questions where the responsible committees or the Board of Directors show a diversity of views. These may arise in particular when submissions or advice are requested by European institutions, or in relation to issues on which the AAE proposes to make a public statement. In such circumstances, it may be impracticable to obtain a single view and, indeed, it may be of more value to external parties to be aware of the range of alternatives considered.

- a. If the AAE has a unanimous and unequivocally established position, this must be clearly conveyed;
- b. Where a unanimous position has not emerged and there is a clear majority view, this must be clearly conveyed along with the minority position(s);
- c. Where there is no agreed majority view, and time permits, attempts should be made to obtain agreement on a majority view amongst the Member Associations, following which the majority view shall be stated but must be accompanied by the minority position(s);
- d. Where no majority view can be established or where time does not permit consultation over diversity of views, these should all be clearly and objectively reported;
- e. Where a view is being presented in a personal capacity or on behalf of a Member Association this must be clearly stated, particularly where this is at variance with points a) - d) above.

Section 12: Budget and Financial Oversight (Article 21 of the Statutes)

1. External Review

An external review of the financial statements is undertaken by one or more experts outside the AAE appointed by the General Assembly upon recommendation of the Board of Directors and encompasses an evaluation of the AAE's financial statements, performing inquiries and analytical procedures, and obtaining moderate assurance that no material changes are necessary in the financial statements.

2. **Budget presentation and approval**

The Board of Directors shall present the externally reviewed financial statements, the draft budget for the subsequent year and the recommendation for membership subscriptions for approval by the General Assembly. If a Treasurer has been appointed by the Board of Directors, she or he will assume this task.

3. **Provisional Budget Continuity**

Should the General Assembly not approve a new budget before the beginning of a financial year, the previous year's budget and subscription rate shall apply provisionally. This provisional arrangement shall normally not exceed the first half of the financial year in question, after which the Board of Directors must submit a revised budget for adoption by the General Assembly.

Section 13: Process to amend the Statutes (Article 23 of the Statutes)

1. **Proposal of amendments**

In agreement with the Board of Directors, the Professionalism Committee may propose amendments to the Statutes, if necessary, after consultation with other bodies of the AAE.

2. **Exposure and Consultation**

During the consultation period as defined by the Board of Directors with a minimum duration of three months, Member Associations are invited to provide feedback and may request clarification or raise concerns.

3. **Feedback**

All feedback will be collected and analysed by the Professionalism Committee, which will submit a proposal on how the feedback could be taken into account to the Board of Directors.

4. **Final proposal of amendments**

The Board of Directors proposes amendments for approval by the General Assembly.

Section 14: Rules for Internal Regulations (Article 24 of the Statutes)

1. **Proposal of amendments to Internal Regulations**

The Professionalism Committee may propose Internal Regulations and their amendments to the Board of Directors, if necessary, after consultation with other bodies of the AAE.

2. **Consistency with Statutes**

The Board of Directors shall assess the Internal Regulations and the proposed amendments for consistency with the Statutes prior to submission to the General Assembly for approval.

3. **Review and Approval**

The General Assembly shall review and adopt Internal Regulations or their amendments. If feasible, proposals shall be circulated to all Member Associations for an exposure period of not less than three months.

Section 15: Winding-Up Procedure (Article 25 of the Statutes)

1. **Winding-up Oversight**

Upon recommendation of the Board of Directors, the General Assembly may elect an external liquidator to support and/or oversee the process.

2. **Distribution of Surpluses**

For the purpose of distribution of remaining surpluses, "size" shall refer to the number of Qualifying Actuaries of a Full Member Association as reported in Article 7 of the Statutes and 1 for an Observer Member Association. "Contributions" shall include all annual subscriptions and other financial support provided by the Member Associations to the AAE. The proportions of returns to Full Member Associations shall be determined based on the average of size and contributions during the last five years before winding-up of the AAE.

DRAFT